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SUBJECT: MAINLAND TAIWAN EXPERTS DISCUSS ELECTIONS, FUTURE
OF CROSS-STRAIT RELATIONS

REF: A. BEIJING 1038

[1](#)B. BEIJING 959

[1](#)C. BEIJING 549

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.
4 (b) and (d).

Summary

[1](#)1. (C) Two senior PRC Taiwan experts predicted this past week that Kuomintang (KMT) candidate Ma Ying-jeou will win Taiwan's March 22 presidential election with a margin of 5-10 percentage points because of his effective campaigning and widespread discontent over Taiwan President Chen Shui-bian's administration. They expected the current margin to narrow in the last days of the campaign because of concerns over the one-China market and the unrest in Tibet. The experts predicted that both the KMT and the Democratic People's Party (DPP) referenda on UN membership for Taiwan would fail. China nonetheless continues to press the United States on the DPP referendum because there is always the possibility of an unexpected outcome. One of the experts predicted a "forceful reaction" from Beijing if the DPP referendum passes and suggested that past PRC responses to Taiwan behavior provide insight as to what China's reaction might be. The experts predicted some progress on technical issues in cross-strait relations with Ma as Taiwan's president but little movement on resolving fundamental political differences. While the main thrust of PRC President Hu Jintao's Taiwan policy is to ensure a stable environment for China's continued development, the experts speculated that Hu may want to bolster his legacy as the first Chinese leader to meet with the elected leader of Taiwan. End Summary.

Ma Has Run a Shrewd Campaign

[1](#)2. (C) Zhou Zhihuai (strictly protect), Vice President of the Chinese Academy of Social Sciences Institute of Taiwan Studies, and Sun Shengliang (strictly protect), Director of the Institute's Economics Department, met with PolOff March 18 to discuss the Taiwan election and prospects for cross-strait relations after the March 22 vote. Zhou assessed that Ma has run a very "shrewd" campaign, demonstrating a departure from the "old-style" KMT way of doing things. For example, Ma has carefully avoided acting like the front runner and continues to campaign hard despite poll numbers showing him with a significant lead. This humble attitude has played well, especially as Ma had every reason to gloat after the huge KMT victory in the January Legislative Yuan (LY) elections. Zhou admired the way Ma

lowered expectations for the televised debates, so much so that even Zhou thought Ma had been foolish to agree to the debates and expected that he would lose ground to DPP candidate Frank Hsieh. In the debates, however, Ma performed well and gained support. While Hsieh came across as the better orator, he did not seem as well prepared as Ma, and his attacking style was a turn-off to Taiwan voters. Ma's effective campaign, combined with widespread discontent over Chen's administration, will lead to a KMT victory, Zhou assessed.

Hsieh's Tactics Not Enough

13. (C) Zhou said that many of the issues Hsieh has used in the campaign, such as the green-card issue and fears of a KMT monopoly of power, have not been effective. Zhou stated that the green-card issue has only been effective in motivating the base, not swaying the center. Zhou and Sun complained, however, that the United States could have been more helpful by simply stating that Ma's green card was invalid. Zhou said that voters are not persuaded by Hsieh's call for voters to give the Presidency to the DPP since the KMT controls the LY. Zhou remarked, however, that Hsieh has gotten more traction with the one-China market issue, particularly in central and southern Taiwan, and more recently has benefited from the unrest in Tibet. (Note: Zhou claimed that Chinese security forces have not "fired a single shot" in suppressing the violence in Lhasa but admitted that the absence of independent media reporting cast doubts on China's claims of restraint.) Zhou predicted the gap would narrow over the last days of the campaign, but Hsieh would not get to the "golden intersection" and overtake Ma.

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Atmosphere is Different than 2004

14. (C) Zhou assessed that the "Super Sunday" rallies on March 16 showed that the political environment in Taiwan has shifted in favor of the KMT. Reports of similar rallies in 2004 showed significantly greater participation and enthusiasm in the pan-Green rallies, but the March 16 KMT rallies equaled or exceeded the DPP's in terms of participation and fervor. While some argue that the LY election results were partly due to low voter turnout by the Greens (those most likely to be DPP supporters), Zhou assesses that the additional turnout for the presidential election will be fairly evenly split between the Blue (pro-KMT) and Green camps and may even favor the Blues.

15. (C) Zhou said that there has been a shift in attitudes among two key constituencies: intellectuals and young people. Many intellectuals favored the DPP in the last two elections, not out of any particular affinity for their platform, but out of a belief that power transitions were good for the development of democracy in Taiwan. Those intellectuals now want to see a transition back to the KMT now that the DPP has had eight years in power and has proven to be corrupt and inept at managing the economy. As for the youth vote, polling shows that those who have reached voting age since 2000 favor the KMT 60 to 40 percent, a reversal of youth sentiments in 2000 when they favored the DPP by the same margin.

The Numbers Game: Presidential Race and Referenda Vote

16. (C) Zhou noted that despite the polling showing a fairly stable lead for Ma, bookmakers in Taiwan report considerable fluctuation in betting odds and margin of victory numbers, indicating continued uncertainty about the mood of the electorate. Zhou assesses Ma's margin of victory will be 5-10 percentage points. Sun said he agreed that a 5-10-point win for Ma is the most likely outcome but noted that recent Taiwan elections, including the January 12 LY election, all

produced some result that was "surprising and unexpected." If that pattern of surprising results holds, perhaps there will be a 20-plus-point victory for Ma or a close come-from-behind win for Hsieh. Of those two "unexpected" scenarios, Sun opined that the big win for Ma was more likely.

17. (C) On the competing referenda, both Zhou and Sun opined that the chances for passage are quite low. Because the threshold is 8.5 million votes, 65 to 70 percent of those participating in the election would have to vote on either referendum for one to pass, Sun said. Zhou added that the outcome of the one-step voting procedure in the January LY election has significantly reduced concern in Beijing over the use of that same procedure in the March 22 election. Zhou said that some scholars now assess that the KMT measure has a greater chance of passing because of the KMT boycott and Frank Hsieh's call to support both initiatives (ref A), but he disagrees. He thinks that KMT voters will not be enthusiastic about their own measure and that DPP voters will not follow Hsieh's instructions to support it because they are naturally disinclined to support the KMT. Zhou noted that there was a great deal of discussion in the Taiwan media about the referenda last week, but the topic has been almost entirely absent since then, suggesting to him that expectations are so low that it has become a "dead issue" in Taiwan.

Why Continue to Press the United States?

18. (C) Asked why Chinese officials continue to press the United States to oppose the referendum, Zhou said there is always the possibility of an "unexpected outcome," so Chinese pressure is meant to keep Washington vigilant. He said that because the referendum is already "doomed," it should be "convenient and low cost" for Washington to make a final push to oppose the referendum in order to boost U.S.-China relations.

"Forceful Reaction" if DPP Referendum Passes

19. (C) Zhou said that he expects a "forceful reaction" if the DPP referendum passes. As to what that reaction would be, he urged Washington to study China's reaction to the 1995-96

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period after then-Taiwan President Lee Teng-hui visited the United States, the reaction to Lee's "two states theory" in 1999, and the reaction to Chen Shui-bian's "one country on each side of the Strait" statement in 2002. This would provide insight into how China would react to "another crisis" over Taiwan.

Chen Will Go Quietly, but DPP May Hit the Streets

110. (C) Zhou said that most Mainland Taiwan watchers expect Chen Shui-bian to stir up trouble before the May 20 inauguration of his successor, but he was of the opinion that Chen would "go quietly." Zhou said popular opinion would turn against Chen if during the "caretaker" period he tried some final maneuver to push independence. In addition, there are legal restrictions that would prevent Chen from taking individual action toward de jure independence, especially with the KMT in control of the LY. Finally, he felt that Chen would heed U.S. warnings not to take provocative steps or make things difficult for his successor. Sun added that Chen is personally unpopular with very low approval ratings. If he tried something rash he would be widely condemned and then ignored. Zhou said, however, he was more concerned about spontaneous demonstrations by the pan-Green camp, especially if they lose by five points or less. In such a circumstance, he hoped that the United States would urge them to accept the election results, as it did with the KMT after the 2004 election.

¶11. (C) Like other recent interlocutors (ref A), Zhou expects only moderate improvement in cross-Strait relations with Ma Ying-jeou as Taiwan's president. He said that Ma's first priorities would be internal, focusing on building his Cabinet, consolidating KMT gains and reaching out to the DPP. However, he would also want to take quick steps to improve the economy, which is closely linked to his cross-Strait policy. Zhou expected that Beijing will move swiftly to deal with technical issues to achieve direct flights and arrange for Mainland tourism to the island. In general, the atmosphere will improve, and tensions will be reduced. An agreement on re-deployment of missiles and on a diplomatic "ceasefire" in the competition for third-country diplomatic recognition might also be achievable, although Zhou was not sanguine about China's allowing greater Taiwan participation in international organizations.

¶12. (C) There is a wide spectrum of views in China on what a Ma presidency would mean for cross-Strait relations, Zhou said. Some are wildly optimistic, citing Hu Jintao's March 4 speech to the CPPCC to argue that China should eagerly move forward on political dialogue and toward a peace agreement. Some Taiwan watchers, however, denigrate Ma, saying essentially that he is "nothing special." Of course there are still hardliners, like Tsinghua University's Yan Xuetong, who believe that the only way to solve the Taiwan issue is through force. (Note: Zhou said that he and Yan used to be colleagues at the China Institutes of Contemporary International Relations.) Zhou commented that Yang Yi and Zhu Shoushang, PLA-affiliated scholars who were rebuked for criticizing Hu Jintao's policy as "too soft," were not Taiwan experts and that he had never seen Zhu at internal meetings where Taiwan policy was discussed (refs B and C).

Problems with the '92 Consensus

¶13. (C) Zhou was considerably more pessimistic on dealing with the fundamental Taiwan-related questions concerning sovereignty and identity. The key issue, he said, is that even though both sides want to improve relations, neither side has much room to make concessions. Most Mainland scholars and officials want to use the 1992 consensus as the basis for restarting dialogue. However, the '92 consensus is flawed because there is too much wiggle room for interpretation and because the Taiwan position, "each with its own interpretation," is tantamount to acceptance of two Chinas. Sun pointed out the '92 consensus was basically "invented" by KMT scholar Su Chi. (Note: Su Chi has admitted as much, but usually this point is made by DPP supporters to support their contention that the '92 consensus does not exist. This is the first time we have heard Mainlanders acknowledge this point.)

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¶14. (C) Zhou said that on a visit to Taiwan a few years ago, he had a conversation with a senior DPP national security official, and when that official rejected the '92 consensus, Zhou said that the PRC would simply wait for a change in government. The DPP official got very angry and said, "If you think you can just deal with the KMT and ignore us, you do not understand Taiwan politics. If we again become the opposition party, we will fight against any agreement based on the so-called '92 consensus." Zhou said this left a deep impression on him because he realized that even if significant progress is achieved under a Ma Ying-jeou presidency, the DPP could ignore the gains if they retook the presidency in 2012. Zhou said that the two sides (PRC and a KMT-led Taiwan) need to work out a more concrete document that can survive transitions of power in Taiwan.

ROC Still an Impediment

¶15. (C) There is much discussion among PRC Taiwan watchers about what to do about the Republic of China designation, Zhou told PolOff. Even though there is a growing sentiment to find some sort of accommodation with the ROC, "no one is proposing that the PRC recognize the ROC." Asked about alternate ideas such as former ARATS Chair Wang Daohan's "shared sovereignty" or ideas reported in the Hong Kong press about "people-based sovereignty" intended to overcome the PRC vs. ROC dilemma, Zhou said it would be very difficult internally to challenge the position that the PRC is the sole legitimate government with sovereignty over all of China.

"Emancipated Thinking" on Taiwan Policy

¶16. (C) Referring to Premier Wen Jiabao's March 18 press conference following the close of the National People's Congress in which Wen emphasized the need to "emancipate thinking," PolOff asked if such new thinking might apply to Taiwan policymaking. Zhou joked that Wen was probably just talking about the senior leadership, because scholars long ago learned that "emancipated thinking" simply gets them in trouble. The window for getting ideas to the leaders is when they first come to power. Both Jiang Zemin and Hu Jintao knew "nothing" about Taiwan when they became Party General Secretary, and they were willing to listen to scholars and

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encourage debate. After the leaders get a grasp of policy and form their own ideas, however, they become less interested in hearing others' views and annoyed when experts disagree with them. Zhou claimed that among the Taiwan watchers on the Mainland there are many different opinions and a "hundred flowers" environment prevails. Nevertheless, he opined that any new approach to Taiwan would come from the leadership, not from the scholarly community.

¶17. (C) For example, Deng Xiaoping's innovation of "one-country, two-systems" not only helped solve the Hong Kong and Macao issues, but also was a key element in the re-introduction of capitalism into China and the entire opening and reform program, Zhou said. Jiang Zemin tried to establish his legacy on Taiwan by working on a "reunification timetable." Hu Jintao has pulled back the timetable and just wants to achieve stability in the Taiwan Strait so that the Mainland can continue to focus on development. Zhou speculated, however, that Hu might not be content with only having hosted Taiwan political party leaders James Soong and Lien Chan and may want to achieve a more significant breakthrough, such as being the first Chinese leaders to meet with the elected leader of Taiwan.

Keep Comments under Wraps

¶18. (C) Zhou urged PolOff to keep his comments private. The CASS experts are among the few professional Taiwan watchers that would agree to meet with the Embassy this final week before the March 22 election. In fact, press reports indicate that PRC Taiwan watchers reportedly have been instructed not to make any public comments on the Taiwan election. A Canadian Embassy colleague on March 20 commented that his requests for meeting with the Taiwan Affairs Office and other institutions have been similarly rebuffed, but officials in those institutions said they would be happy to meet after the election.

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